

TOMBOLA SECURES REGIONAL POSITION VIA LORENA AND ADDITIONAL GOLD TENEMENT ACQUISITIONS

HIGHLIGHTS

Lorena Gold Project

- **Formal Acquisition agreements have been signed for 100% of Lorena Mine and Processing Facility ("Lorena"), with enhanced terms.**
- **The Lorena assets include fully permitted mining and exploration leases, the existing open cut gold and copper mine, a 250,000-300,000 Tonne per annum processing plant.**
- **The Lorena Acquisition enables Tombola to fast-track gold production utilising existing cash reserves, and generates free cash flow from production activities to assist with the balance of cash consideration due to the vendor parties.**
- **Tombola will also undertake studies for the optimisation of gold production.**
- **Key acquisition terms:**
 - **5m shares in Tombola at an implied price of \$0.06 (A\$300,000).**
 - **A\$7m cash with A\$2m up front and balance over a six to nine month period.**
- **Completion of the Acquisition remains subject to satisfactory due diligence activities, and Tombola shareholder approval at an EGM to be convened in August 2022.**

True North Copper Projects

- **Development ready projects covered by Mining Leases at Wallace South and Wynberg to fast-track feed to the Lorena plant.**
- **Pipeline of advanced exploration tenure covering ground highly prospective for gold only and iron-oxide / iron-sulphide (IOCG / ISCG) copper-gold systems.**

Tombola Gold Ltd (ASX:TBA) ("**Tombola**" or the "**Company**") is pleased to announce that it has secured a significant and strategic regional footprint around the Company's existing Mt Freda project via the formalisation of the acquisition agreements for the Lorena Gold Project and, additionally, the execution of a binding Term Sheet with True North Copper Pty Ltd pursuant to which the Company will gain an interest in a further five (5) project sites around Cloncurry, including mining leases. These acquisitions will allow the Company to fast track its gold production capabilities, as well as adding to its resource base and production horizon.

Lorena Gold Project

The Company is pleased to advise that it has signed formal legal agreements for the acquisition of 100% of the Lorena Processing Facility ("**Lorena**"), located only 30km from the Company's flagship Mt Freda Gold Mine in Cloncurry, Queensland (the "**Acquisition**"), with a A\$700,000 discount to the previously agreed terms (refer ASX Release – 20 June 2022).

The Lorena assets include an integrated CIL ("**Carbon In Leach**") processing facility capable of treating 250,000-300,000 tonnes per annum of ore, a permitted tailings storage facility, an associated tenement package including permitted mining and exploration leases and the existing open cut gold and copper mine.

A summary of the terms for the potential Lorena Acquisition is attached as Appendix A to this release. A Location Map showing the Company's existing projects and the Lorena project sites is attached as Appendix B.

Importantly, the acquisition is structured so that it enables Tombola to commence gold production in Q4 CY2022, and utilise its current cash reserves in a more effective way, without incurring large additional capital construction costs that would otherwise be required to build a CIL plant and tailings facility of this size.

Tombola Gold Managing Director, Byron Miles, commented:

"Entering into the formal agreements for the Lorena assets is a pivotal step in Tombola's future of becoming a meaningful Australian gold producer. Importantly, the Acquisition not only allows Tombola to increase gold production as well as undertake gold-optimisation planning studies, but now we will have the capacity to treat various ore bodies with gold and copper in the Cloncurry region."

"The acquisition terms were negotiated to allow Tombola to utilise its existing cash reserves and cash flow to fund the cash consideration from near-term gold production, however we have now added a substantial asset to the balance sheet which should allow Tombola to expand faster and minimise dilution for shareholders."

About Lorena

The Lorena Mine and Processing Facility is located 13km from Cloncurry on the Flinders Highway and was commissioned in 2017 by a Joint Venture which included Malachite Resources Limited and Chinova Resources Pty Ltd. Operations continued at Lorena until late 2021, after which it was placed in care and maintenance pending a desire by the owners to sell the operation.

Primarily a Gold CIL Processing facility but with the capacity to treat copper bearing ore, over the coming months Tombola will recommission the plant to treat gold ore from the Golden Mile operations and hand in hand with this, the Company will work closely with the respective authorities to ensure that all requisite approvals are in-place.

Tombola is currently working with several third-party consultants and advisors who are assisting the Company with its plans to recommission and expand the facility.



Image 1 – The Lorena Processing Facility

True North Copper Projects

The Company is pleased to advise that it has signed a binding Term Sheet with True North Copper Pty Ltd (TNC) for the acquisition of various interests in five (5) additional projects around the Cloncurry region. This initiative, together with the Lorena Acquisition and the Company's existing tenements, provides Tombola with a significant regional footprint around its Cloncurry base of operations giving the company a strategic position in a key mineral province.

The TNC portfolio brings three development ready and permitted mine projects. In addition to the advanced projects, the TNC deal brings a large tract of highly prospective exploration ground (refer Appendix D), part of which lies adjacent to the Mt Freda mining complex.

The Wallace South project, located 39km south of Cloncurry, is a large gold / copper system that the company aims to bring quickly into production to provide feed to the Lorena plant. Likewise, Wynberg is located 20kms south-east of Cloncurry that is also permitted and will look to be brought quickly into production.

Both these projects offer immediate synergies with the existing Tombola operations and will bring greater flexibility and increased production capability into the existing mine-plan.

Table - Tombola Mineral Resources as at 30 June 2022

Deposit	Indicated			Inferred			Total			Cut Off Au g/t
	Tonnes	Au g/t	Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	
Mt Freda ¹	613,000	2.91	57,300	393,140	2.27	28,700	1,006,000	2.66	86,100	0.5
Golden Mile ²	65,000	3.15	6,600	607,000	1.62	31,600	672,000	1.76	38,200	0.5
Total	678,000	2.93	63,900	1,000,140	1.88	60,300	1,678,000	2.30	124,300	

Discrepancies may occur due to rounding

¹ Mt Freda: TBA ASX Release 04 March 2021

² Golden Mile²: TBA ASX Release 03 June 2020

The Tombola Mineral Resources have been reported to the ASX as per the above release information. The Company confirms that it is not aware of any new information or data that materially affects the information included in those releases and that all material assumptions and technical parameters underpinning the estimates in the relevant market releases continue to apply and have not materially changed.

Appendix D shows the location of the combined Tombola and TNC permitted mining / exploration areas, and the Lorena plant (and EPM) – all strategically located south-east of Cloncurry.

A summary of the terms for the potential True North tenement package acquisition is attached as Appendix C to this release. A Location Map showing the Company's existing projects, the Lorena project sites, and the True North Copper projects sites, is attached as Appendix D.

Tombola Gold Managing Director, Byron Miles, commented:

"Both these acquisitions significantly add to the Tombola development story as we look to fast-track becoming a meaningful gold producer. In addition, the extensive pipeline of exploration projects offers significant upside to increasing the resource base of the Company."

Executive Director Remuneration

Due to the significant increase in forecast activities as a result of the emerging regional position, the Company has agreed to increase the remuneration of its head of exploration and Executive Director Mr Rod Watt to \$250,000 per annum (plus superannuation). This is an important initiative for the Company, securing the services of Mr Watt on a full-time basis, and ensuring the various project workstreams will be planned and managed on an integrated and consistent basis.

The Company will look to further strengthen the Board in due course via the appointment of a Non-Executive Chairman, and opportunities to further strengthen the Company's management team will also be considered once the acquisitions are settled.

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The Company will continue to keep the market informed of further developments in relation to the above matters.

This Announcement was authorised by the Board of Directors.

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About Tombola Gold Ltd

Tombola Gold (ASX:TBA) is a new Australian gold producer, with mining underway and expansion in progress as the Company fast tracks to first cash flow in 2022.

Scoping Studies indicate potential for profitable operation (ASX Release - Scoping Study Propels Gold Projects Towards Production – 26 July 2021).

The Mt Freda Complex consists of several gold mines including the Mt Freda Gold Project and Golden Mile Project, which are in close proximity to core infrastructure in the area including roads and power, with the Company already advanced in constructing its own gold processing plant on site. Tombola has a well defined expansion strategy of utilising near-term gold cashflows to drive resource expansion with LOM extensions and exploration focus.

The Company also holds the Burra Project located in South Australia, a world class copper, gold and REE target, with a strategic tenement holding in a world-class domain. Burra covers 6,500² km in the G2 Structural Corridor, which hosts Olympic Dam, Carrapeteena and Prominent Hill. The Company has secured a \$300,000 grant from South Australian Governments Accelerated Discovery Initiative.

Competent Person's Statement

Information in this Announcement is compiled and reviewed by Mr. Rod Watt, who is an Executive Director of the Company and Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Watt has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Watt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

The materials may include forward looking statements. Forward looking statements inherently involve subjective judgement, and analysis and are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and may be unknown to, the company. Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements. Any forward-looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, the company does not undertake any obligation to publicly update or revise any of the forward-looking statements, changes in events, conditions or circumstances on which any statement is based.

APPENDIX A - ACQUISITION TERMS – LORENA ACQUISITION

Definitive acquisition documents (**'Sale Agreements'**) to give effect to the completed contract documents executed by Tombola and the vendor parties include the following material terms.

The terms of the Sale Agreement, once final inspection is satisfied, will give effect to the transfer of the CIL Plant and related assets and the associated tenement package (**Tenements**) to Tombola's wholly owned subsidiary, NQ Copper Pty Ltd.

These assets are held by three (3) vendor parties, namely:

- (a) Lorena Gold Mine Pty Ltd
- (b) Chinova Resources Pty Ltd; and
- (c) Blue Cap Assets Pty Ltd.

The Tenements are held by Volga Elderberry Pty Ltd, which the Company is acquiring pursuant to the transaction, and comprise two (2) mining leases and an exploration permit associated with the Lorena complex.

Consideration Details

The Company has agreed to pay \$7,300,000 for the assets, comprising:

- (a) cash, comprising:
 - (i) \$2,000,000, payable at completion and
 - (ii) \$5,000,000, deferred for between 120 days and 270 days after completion, depending on when the Company obtains approval for its planned expansion of the tailings dam; and
- (b) 5,000,000 shares in the Company at an implied issue price of 6 cents (\$300,000) issued at completion.

The cash component includes a deposit of \$100,000, which the Company has paid.

Conditions Precedent

The transaction is conditional upon the Company completing a final site inspection to its satisfaction on July 12th 2022. Furthermore, Tombola is to seek approval from its shareholders to proceed with the Acquisition at an EGM to be convened in the coming weeks.

Security for deferred purchase price

Payment by the Company of the deferred portion of the cash consideration will be secured by first ranking security over the CIL Plant.

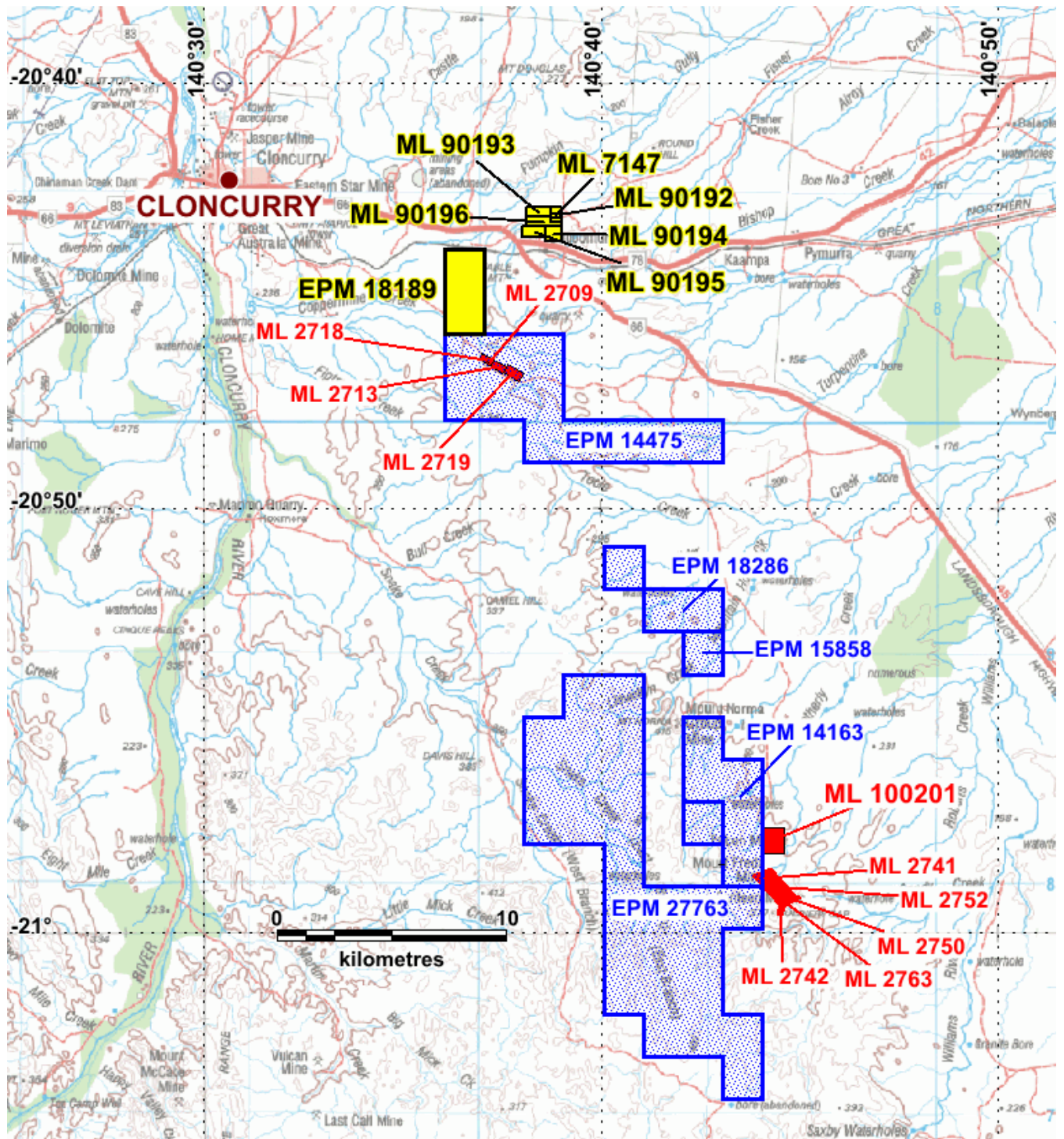
Environmental surety

It is proposed to leave in place current \$726,653 relating to the Tenements pursuant to the Queensland financial provisioning regime for resources projects.

Net Smelter Royalty

The Tenements are subject to 2% net smelter return in favour of Conrad Silver Mines Pty Ltd in respect of any gold, silver and copper extracted from the Tenements.

APPENDIX B – LOCATION MAP – TOMBOLA AND LORENA SITES



Map showing the Company's current Queensland tenement footprint (blue) together with the Lorena properties (yellow).

APPENDIX C - ACQUISITION TERMS – TRUE NORTH COPPER ACQUISITION

Tombola Tenements Pty Ltd ACN 660 792 889 (**Tombola Tenements**) has signed a binding term sheet with True North Copper Pty Ltd ACN 652 408 378 (**True North**) which provides for the following transactions:

1. the sale of a 100% interest in EPM12409 and ML100111 by True North to Tombola Tenements, together with all documents, information and material contracts in relation to them;
2. the assignment, novation or sub-leasing of EPM15923 by True North to Tombola Tenements, together with all documents, information and data relating to that tenement, subject to the written approval of Exco Resources (Qld) Pty Ltd, which is the owner of the tenement; and
3. the entry into a Mineral Rights Agreement by True North and Tombola Tenements in relation to ML100077 and ML90236, under which True North will provide Tombola Tenements with rights in relation to the oxide gold minerals from those tenements.

The consideration for the above transactions consists of cash consideration of \$1,500,000 and the issue of 75,000,000 shares in Tombola Gold Ltd. The shares will be subject to a 12 month escrow restriction which commences on the completion date.

The cash consideration is payable as follows:

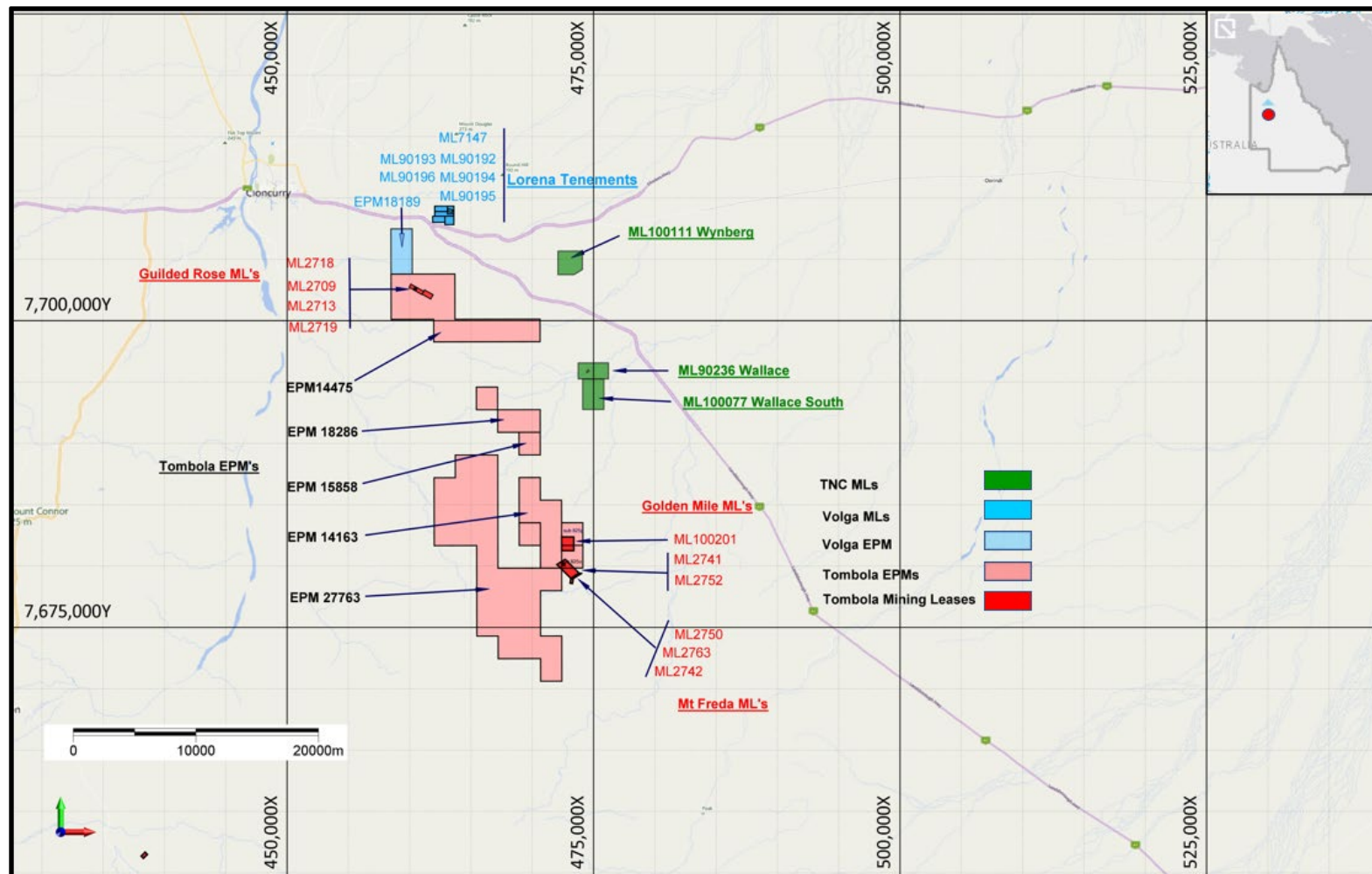
1. \$50,000 deposit on execution of the term sheet (paid);
2. \$450,000 on completion; and
3. \$1,000,000 after Tombola Tenements has generated \$5,000,000 revenue from ore extracted from the tenements.

Completion is subject to due diligence by both parties, approval by the shareholders of Tombola Gold Ltd, True North's financiers providing the necessary releases to enable the transactions to proceed and being provided security over the shares acquired by True North, removal of ML100111 from the environmental authority applicable to ML100077 and ML90236 and formal documentation. The conditions must be satisfied by 5pm EST on 6 September 2022. Completion occurs on the date that is 10 business days after all conditions have been satisfied or waived.

Tombola intends to include these transactions in the resolutions to be put to shareholders at the upcoming EGM, including a resolution to approve the change in scale of the Company's operations pursuant to the requirements of Listing Rule 11.

The tenements are subject to a royalty in favour of Round Oak Minerals Pty Ltd ABN 64 130 641 691 which will remain in place after completion.

APPENDIX D – LOCATION MAP – TOMBOLA, TRUE NORTH COPPER AND LORENA SITES



Map showing the Company's current Queensland tenement footprint (pink) together with the Lorena properties (blue) and the True North project properties (green).